



INSIGHTS

107th Congress

October 15, 2001

*Also available on the FEMP Home Page at
<http://www.eren.doe.gov/femp/resources/insights.html>.*

[Weekly Summary](#)

[New Legislation](#)

[Committee Activity](#)

[Administration](#)
[Initiatives](#)

[House](#) [Senate](#)

[FY 2002 Appropriations Chart](#)

[Hearings Schedule](#)

INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

THIS WEEK IN CONGRESS

H. J. Res. 65 – Making Further Continuing Appropriations for FY 2002 expires on October 17. A new continuing resolution is expected to pass keeping the Federal Government operating at FY 2001 funding levels for existing programs through October 23. ***H. J Res. 68*** passed the House and Senate on October 12. The resolution is pending the President's signature.

HOUSE

- The House is expected to vote on the *Conference Report 107-234*) for ***H.R. 2217 – FY 2002 Appropriations for Interior and Related Agencies*** sometime this week possibly followed by a Senate vote at the end of the week. The conference committee completed work on this bill last week.
- On October 18, the Subcommittee on Oversight and Investigations (Committee on Energy and Commerce) will hold a hearing on issues associated with the use of MTBE in reformulated gasoline.

SENATE

- *No hearings, mark ups, or votes of interest have been officially scheduled in the Senate.*

WHITE HOUSE

- *No events of interest have been announced.*

[Back to Table of Contents](#)

II. COMMITTEE ACTIVITY

CONFERENCE COMMITTEE

H.R. 2177 – FY 2002 Appropriations for Interior and Related Agencies – Conference committee negotiations were held on October 10 and resulted in an increase of \$1 billion over the President's request for DOE programs bringing the FY 2002 budget to \$19.1 billion. The increase includes an additional \$400,000 for fighting forest fires). **The Department of Energy's Energy Efficiency program received \$913 million, which is closer to the House mark of \$941 million versus the Senate mark of \$871. The President's request included \$756 million for energy efficiency programs.** The bill also includes the following provisions of interest with respect to DOE's energy efficiency program activities:

- **DOE is to report to House and Senate Committees on Appropriations within 12 months of enactment of the Act on the technical and economic barriers to the use of fuel cells in transportation, portable power, stationary, and distributed generation applications.** Report should include recommendations on program adjustments based on an assessment of the

technical, economic, and infrastructure requirements needed for the commercial use of fuel cells for stationary and transportation applications by 2012. Within six months of enactment, DOE should provide an interim assessment that describes preliminary findings about the need for public and private cooperative programs to demonstrate the use of fuel cells in commercial applications.

- **Increase in funding for DOE Regional Support Offices is to restore base funding.** DOE “should do a better job of using these offices to manage programs and projects and should not short-fund these offices in future budget requests while protecting funding for headquarters offices.” Funding comparisons (prior year, current year, budget year) and activity descriptions for each RSO should be included in the annual budget request beginning in FY 2003. The managers encourage DOE to consider shifting resources from headquarters to the RSOs.

For the Department of Interior, the report includes \$600 million in funds for the National Park Service, Fish and Wildlife Service, the Bureau Land Management, and the Forest Service for backlog maintenance projects. The conference report also extends the current Recreational Fee Demonstration Program for an additional two years; the fee is charged to visitors to public lands and is used to address deferred maintenance projects at the sites. The House is expected to vote on the bill this week followed by the Senate. A Senate vote on the conference report (107-234) may be delayed because several other appropriations bills are pending in the Senate along with other priority bills including infrastructure security.

Additional Conference Negotiations This week, it is possible that up to four additional conference negotiations will occur on FY 2002 appropriations; the list includes the following bills:

- *H.R. 2500/S. 1191 – Commerce, Justice, State, and the Judiciary*
- *H.R. 2311/S. 1171 – Energy and Water Development*
- *H.R. 229/S. 1178 – Transportation and Related Agencies*
- *H.R. 2620/S. 1216 – Veterans’ Administration, Housing and Urban Development, and Independent Agencies*

HOUSE

Comments or Action Items

H.R. 3061 – FY 2002 Appropriations for the Departments of Labor, Housing and Urban Development, and Education The House approved this \$123.1 billion bill on October 9; key features of interest include the following:

Department of Labor

Employment and Training Administration – No funding specified but committee language states members “reiterates concern expressed last year that there is a need to expand the number of Job Corps centers. The Committee intends to work with the Secretary prior to conference to determine whether a portion of the increase should be allocated to Job Corps center renovation and new construction.” The committee also recommends additional funds to support the construction of new Job Corps centers in the FY 2003 budget.

Department of Health and Human Services

Buildings and Facilities Account - \$311.6 million (Allows for the transfer of up to \$75 million to international assistance programs). The budget provides funding to support the National Institutes of Health's 77 buildings including its Bethesda campus and the Animal Center in Poolesville, Maryland; the National Institute of Environmental Health Sciences facility in Research Triangle Park, North Carolina; and other smaller buildings around the country. Also provides \$26 million for Phase I and II development and construction for the John Edward Porter Neuroscience Research Center (location not specified).

Electric Transmission Policy – On October 10 the Committee Energy and Commerce's Subcommittee on Energy and Air Quality continued its series of hearings on the electric power industry. This hearing, "Electric Transmission Policy," included two panels of senior officials from representing the American Public Power Association, the National Rural Electric Cooperative Association, the Edison Electric Institute, the Large Public Power Council, the North American Electric Reliability Council, the Electric Power Supply Association, Consumers For Fair Competition, and the Office of the Maryland's People's Counsel, among others. The first panel focused on grid reliability, transmission siting issues, and incentives to encourage new transmission system investments. The afternoon panel addressed the formation of regional transmission organizations, open access transmission, and the role of Federal and state governments.

FERC Chairman Pat Wood introduced the idea of the four regional RTO's earlier this summer, believing that power trades would operate more smoothly over a coordinated system, and that such a system would produce lower rates because more suppliers would be able to participate in the grid. Larger utilities and other power suppliers expressed their opposition to this proposal, stating that RTO West, for example, would result in higher rates "with little or no offsetting benefits [from Federal intervention]... The Northwest transmission grid lacks the capacity to meet surging demand." Instead, the opposition proposes that measures be taken to enhance and improve the transmission infrastructure. Those who oppose the four regional RTO's also claim that FERC has not produced evidence that a four-RTO system would increase reliability and promote competition, and they fear that each RTO would become a giant transmission monopoly.

Chairman Barton is currently circulating a draft bill for comment that, if enacted, would allow FERC to require utilities to join RTOs. The bill would also render moot a current Supreme Court case between FERC and state regulators who charge that FERC overstepped its bounds by requiring utilities to open their power lines to competition in 1996. Chairman Barton concedes that he "want[s] an appropriate role for the states... but [he] want[s] a less balkanized system."

SENATE

Comments or Action Items

S. 1536 – FY 2002 Appropriations for the Departments of Labor, Health and Human Services, and Education and Related Agencies The Committee on Appropriations approved this bill on October 11 providing \$123.1 billion in discretionary funding. Key features of interest are provided below.

Department of Labor The bill does not provide a specific funding level of the Department's buildings and facilities account.

Department of Health and Human Services

Buildings and Facilities – Provides \$306.6 (For the design, construction and repair and improvement of clinical and laboratory buildings and supporting facilities; includes coverage of facilities in Bethesda, Poolesville, Baltimore, and Frederick, Maryland; Research Triangle Park, North Carolina; Hamilton, Montana; Perrine, Florida; New Iberia, Louisiana; and Sabana Seca, Puerto Rico. Allows for the transfer of \$70 million to an international medical assistance programs.)

Energy Legislation On October 9, Jeff Bingaman (D/NM), Chairman of the Committee on Energy and Natural Resources released a statement on pending energy legislation after conferring with Majority Leader, Tom Daschle (D/ND). In his remarks, **Senator Bingaman announced his plans to suspend any further mark up of comprehensive energy legislation at the committee level in order to permit possible action by the full Senate before this session of the 107th Congress adjourns for the year.** Majority Leader Daschle will determine the contents of the bill and when it will be presented on the Senate floor. In his announcement, Senator Bingaman said:

It has become increasingly clear to the Majority Leader and to me that much of what we are doing in our committee is starting to encroach on the jurisdictions of many other committees. Additionally, with the few weeks remaining in this session, it is now obvious to all how difficult it is going to be for these various committees to finish their work on energy-related provisions.

Finally, and perhaps most importantly, the Senate's leadership sincerely wants to avoid quarrelsome, divisive votes in committee. At a time when Americans all over the world are pulling together with a sense of oneness and purpose, Congress has an obligation at the moment to avoid those contentious issues that divide, rather than unite, us.

In response, Ranking Minority Member Frank Murkowski (R/AK) issued a statement disagreeing with the Senate leadership decision. He said,

This action by the Democrat majority has taken the nation's energy security and made it a partisan issue locking out Republicans and the entire committee process. The Senate Democrat leadership has abandoned the bipartisan approach established in the House when Republicans and Democrats came together to pass their energy bill {H.R. 4}.

By the end of last week, Majority Leader Daschle offered a compromise: he would allow a comprehensive energy bill to go to the floor for Senate consideration and support the construction of a gas pipeline to the North Slope of Alaska. In exchange, the Majority Leader has asked Republicans to limit discussion on the controversial proposal of opening up the Arctic National Wildlife Refuge (ANWR) for exploration and production. As yet, there has been no Republican leadership response to this proposal.

Before this offer of compromise, there was speculation that Republicans might draft their own version of a comprehensive energy bill and attach the proposal as an amendment to an unrelated and unspecified bill moving through the Senate.

[Back to Table of Contents](#)

STATUS OF FY 2002 APPROPRIATIONS BILLS

(In Billions)

HOUSE

SENATE

Jurisdiction/ FY 2002 Budget Request	302(b) Allocations/ Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.	302(b) Allocations/ Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.
Agriculture \$ 15.409	\$ 15.519 \$ 15.669	H.R. 2330	June 13	July 13		\$ 16.092 \$16.4	S. 1191	July 17	Still Pending	
Commerce \$ 37.944	\$ 38.541 \$38.5	H.R. 2500	July 13	July 19	Week of 10/15	\$38.760 \$41.5	S. 1215	July 19	Sept. 13	Week of 10/15 (?)
Defense \$300.962	\$300.292					\$298.568				
Energy and Water Development \$ 22.517	\$ 23.704 \$ 23.7	H.R. 2311	June 25	June 28	Week of 10/15 (?)	\$ 25.129 \$ 25.4	S. 1171	July 12	July 19	Week of 10/15 (?)
Interior \$ 18,092	\$ 18.941 \$ 18.0	H.R. 2217	June 13	June 21	Oct. 10	\$ 18.527 \$ 18.6	*H.R. 2217	June 28	July 12	Oct. 10
Labor / HHS \$115.682	\$119.758 \$123.1	H.R. 3061	—	Oct. 9		\$119.000		Oct. 11		
Military Construction \$ 9.650	\$ 10.155 \$10.5	H.R. 2904	Sept. 12	Sept. 25		\$ 9.649 \$10.5	S. 1460	Sept. 25	Sept. 26	
Transportation \$ 14.891	\$ 14.893 \$ 14.9	H.R. 2299	June 20	June 26	Week of 10/15 (?)	\$ 15,579	S. 1178	July 12	August 1	Week of 10/15 (?)
Treasury \$ 16.488	\$ 16.880 \$ 17.0	H.R. 2590	July 17	July 25		\$ 16.972	S. 1398	July 26	Sept. 4	
VA/HUD \$ 83.683	\$ 84.05	H.R. 2620	July 17	July 31	Week of 10/15 (?)	\$ 84.13	S. 1216	July 19	August 2	Week of 10/15 (?)

Total 302(b) Allocations/ FY 2002 Budget Request \$658.792	\$661.300	\$661.300
---	------------------	------------------

[Back to Table of Contents](#)

III. NEW LEGISLATION

HOUSE

- *No new bills of interest were introduced last week, which are available for review.*

SENATE

- *No new bills of interest were introduced last week, which are available for review.*

[Back to Table of Contents](#)

IV. ADMINISTRATION INITIATIVES

Administration Creates Office of Homeland Security On October 8, President Bush signed Executive Order 13228 – Establishing the Office of Homeland Security and the Homeland Security Council. This action is in response to the terrorist attacks of September 11. The Office of Homeland Security will operate within the Executive Office of the President and will be responsible for developing and coordinating the “implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks. The Office shall perform the functions necessary to carry out this mission” through coordination with public and private sector organizations. Energy-related provisions of interest include the following:

Sec. 3 (e) Protection Directs the Office to coordinate efforts to protect the U.S. and its critical infrastructure from the consequences of terrorist attacks in coordination with Federal, state, and local agencies, and private entities, as appropriate, to:

- **(i)** Strengthen measures for protecting energy production, transmission, and distribution services and critical facilities; other utilities; telecommunications; facilities that produce, use, store, or dispose of nuclear material; and other critical infrastructure services and critical facilities within the United States from terrorist attack.

- (iii) Develop criteria for reviewing whether appropriate security measures are in place at major public and privately owned facilities within the United States.

Sec. 3 (f) Response and Recovery Directs the Office to coordinate efforts to respond to and promote recovery from terrorist threats or attacks within the United States. In performing this function, the Office shall work with Federal, state, and local agencies, and private entities, as appropriate, to:

- (i) Coordinate efforts to ensure rapid restoration of transportation systems, energy production, transmission, and distribution systems; telecommunications; other utilities; and other critical infrastructure facilities after disruption by a terrorist threat or attack.

The executive order also establishes the Homeland Security Council to advise and assist the President with all aspects of homeland security and shall:

- Serve as the mechanism for ensuring coordination of homeland security-related activities of executive departments and agencies.
- Develop and implement homeland security policies.

Council membership will include the President; Vice President; Attorney General; the Secretaries of Defense, Treasury, Health and Human Services, and Transportation; the Directors of the Federal Emergency Management Agency, the Federal Bureau of Investigation, the Central Intelligence Agency, and the Assistant to the President for Homeland Security (former Governor Tom Ridge of Pennsylvania). Other agencies and government officials will participate in policy and related activities as appropriate, including the Secretary of Energy.

In the House and Senate, Republicans and Democrats are busy drafting national security infrastructure legislation. For example, **in late September, Senate Republicans began drafting the *Homeland Security Act of 2001*, which reportedly will cover a range of energy-related initiatives dealing with Federal building and appliance standards, renewable energy resources, and electric utility reliability** as well as opening up the Arctic National Wildlife Refuge in Alaska to oil and gas production. To date, Republicans have held closed-door hearings on infrastructure security options but no bill has been introduced. Senator Joseph Lieberman introduced a national security bill last week that focused on coordination of activities between the Federal Government, state and local governments, and the private sector; his bill did not include any specific infrastructure provisions such as the protection of utility systems. The Senator chairs the Committee on Governmental Affairs. In the House, Republicans have been crafting an economic stimulus package, which may include infrastructure provisions. House Democrats are reportedly developing separate infrastructure security and economic stimulus bills, which may be introduced later this week.

[Back to Table of Contents](#)

V. HEARINGS SCHEDULE

HOUSE – APPROPRIATIONS

- *No new hearings, mark ups or votes have been scheduled.*

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>October 18</i> – Subcommittee on Oversight and Investigations (Committee on Energy and Commerce)	James C. Greenwood (R/PA)	<i>Hearing – Issues Concerning the Use of MTBE in Reformulated Gasoline</i>	TBA	10:00 a.m. 2322 Rayburn House Office Building

[Back to Table of Contents](#)

SENATE – APPROPRIATIONS

➤ *No new hearings, mark ups, or votes have been scheduled.*

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>Week of October 15</i> – Committee on Energy and Natural Resources (<i>NEW</i>)	Jeff Bingaman (D/NM)	<i>Mark Up – Resume marking up Comprehensive energy legislation beginning with electricity-related issues followed by mark ups on energy efficiency, oil and gas production, and general energy policy provisions</i>	N/A	TBA

[Back to Table of Contents](#)